# **Action Plan**

Presenters

# Implementation of e-Procurement System

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# 1. Background and Purpose

#### Background

- ✓ In SL procurement accounts for **24%** (\$ **4.06 billion**) of total Government Expenditure & 6.3% of GDP (2020)
- ✓ In PAK procurement accounts for 20% of GDP i.e. \$ 60 billion, 13% siphoned off to corruption. Pakistan can save at least \$18 billion annually by optimizing i ts public procurement.
- ✓ Kyrgyzstan procurement budget accounts for 77.2 billion Soms, except for the SOEs which is more than 50% of the budget.

#### Purpose

- ✓ Improve governance, efficiency & economic development & investment and enhance trust in government.
- ✓ enhance competitive environment, that contributes to make procurement processes more accountable, transparent & efficient.

#### 2. Current Status and Issues

- Manual procurement processes, inefficient & less transparent.
- Poor accountability in the procurement processes leads to corrupt & fraudulent practices.
- Lack of technical expertise with procurement regulatory bodies (IT & Procurement).
- Capacity issues within line ministries including IT infrastructure.
- Capacity issues with bidders.
- Absence of certification bodies for product quality assurance.
- Poorly paid procurement professionals vulnerable to corruption & frequent turnover.

#### 2. Current Status and Issues

- Resistance for the adoption of e-Procurement System. (Assessments & Consultations).
- Integration with other govt. databases/ systems not complete.
- Implement online payment functionality for suppliers.
- Ensure integration with private online stores.
- Develop functionality for private commercial organizations to act as customers.
- Poor monitoring of procurement processes.

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# 2. Current Status and Issues – SWOT Analysis

- Organizational structure.
- Competent Procurement Officers.
- Regulatory framework.
- Standardized bidding documents & guidelines.

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Strength

- Govt./Political Support.
- IFI Tech. & Fin. assistance (WB/ADB).
- Cooperative PEs.
- Stable internet connectivity.

**Opportunity** 

- Lack of IT related HR.
- Red-tapism in the approval processes.
- Absence of eProc. Laws.
- Limited Experts to impart training on procurement laws/ EPS.
- Laws not in consonance with Int. Best practices. (circular/green procurement)

Sustainability of ePS.

Political & economic instability.

Threat

# 2. Current Status and Issues – SWOT Analysis

- Existing foundational structure for automat ing state procurement.
- Potential for improving transparency and e fficiency in procurement processes.
- Current technological resources and infras tructure.

# Strength

- Digitized e-payment infrastructure.
- private online stores willing to shift.

# **Opportunity**

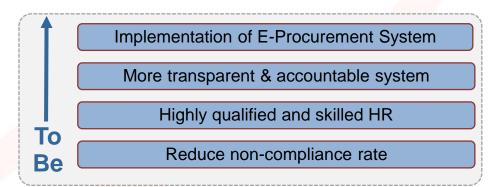
- Complex and difficult-to-understand interfa ce.
- Limited integration with other government databases.
- Lack of online payment functionality for su ppliers.
- No integration with private online stores.
- Absence of functionality for private comme
- Potential technical and financial challenge

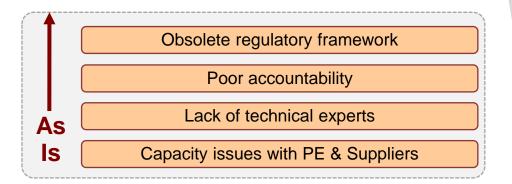
s during implementation.

- Resistance to changes from users or gove rnment bodies.
- Risks related to data security and system i ntegration.
- Possible delays in the development and rollout of new features.

# 2. Current Status and Issues – Gap Analysis

#### **Proposed Overall Goals (Objectives)**





#### **Proposed Purpose**

Develop laws & policies for ePS

Extensive training program

CB & engagement of highly qualified & skilled HR

Develop mechanism for regulatory monitoring & compliance

Develop policies/ mechanism for complaint / grievances redressal

# 3. Improvement Strategy

- 1. In-depth assessment (HR & Regulatory law) of existing practices vis-à-vis int. best practices.
- 2. Hiring of experts, building the capacity of existing human resources.
- 3. Consultations / policy dialogue for overhauling the business processes reengineering with stakeholders.
- 4. Review existing or develop new regulatory framework / laws / regulations / policies / guidelines for improvement.
- 5. Capacity building strategy for PE & Suppliers through master trainers.
- 6. Collaboration & experience sharing with foreign procurement entities/ stakeholders.
- 7. Develop Govt. Interoperability framework.

# 3. Improvement Strategy

- 8. Simplify/ user-friendly Interface:
- 9. Integration with Other Government Databases:
- 10. Implement Online Payment:
- 11. Integration with Suppliers/contractors:
- 12. Develop a marketing strategy to attract private customers.

# 4. Specific Action Plan

- 1. Engagement/ hiring of consultant for In-depth assessment (HR & Regulatory law) to assess existing practices vis-à-vis int. best practices.
  - Develop concept note for consultations/ policy dialogue.
  - Conduct assessment & develop report to decided further on the basis of recommendations.
- 2. Hiring of consultant for policy dialogue / consultations.
  - Arrange consultative workshops with stakeholders on policy dialogue.
  - On the basis of recommendation, initiate process for policy review.
- 3. Formation of committee to review existing or develop new regulatory framework / laws / regulations / policies / guidelines for improvement.
  - Draft polices referred to relevant forum for its approval.
  - Notification & enforcement of policies.
- 4. Hiring of consultant to develop training strategy for PE & Suppliers.
  - Development of standardized training modules/ ToTs for master trainers.
  - Arrange trainings for PEs & Suppliers.
  - Develop tutorials, educational videos, LMS for PEs & Suppliers.
  - Develop follow-up mechanism to refine/improve training program.
  - Establish help-desk for consultations.

### 4. Specific Action Plan

#### 5. Collaboration & experience sharing with foreign procurement entities.

- Frequent communication through digital media.
- Knowledge/ experience sharing through publications, conferences.
- Research and development.
- Technology transfer.

#### 6. Integration with Govt. for Interoperability.

- Singing MOUs (partnership for data exchange)
- API compatibility

# 4. Specific Action Plan

#### 7. Simplify/ user-friendly Interface:

- Conduct an audit of the current interface and design a more intuitive, user-friendly version.
- Implement user testing to gather feedback and optimize the interface.

#### 8. Implement Online Payment:

- Develop online payment functionality and integrate it with the treasury system.
- Ensure high security for transactions and compliance with regulatory requirements.

#### 9. Integration with Suppliers/contractors:

- Coordinate technical requirements and integration with private platforms.
- Develop mechanisms for price monitoring and discount requests.
- Develop Functionality for Private Commercial Organizations:
- Create a separate module for private organizations within the system.

#### 10. Develop a marketing strategy to attract private customers.

#### 5. Outline of the Action Plan

#### Implementing Organization

- Name of the organization: Public Finance Dept. (SL)
  - -Public Procurement Regulatory Authority (PAK)
  - Public Procurement Dept. (KRG)
- Nature or type of the organization: Govt. Organization
- Major functions of the organization:
- -Regulate financial management and procurement management
- Duration of the Project : (3) Year(s)
  - Date of commencement: September 2024
  - Date of completion: Aug 2027

#### **X** Action Plan – Time Table

**Duration: (3) Year(s), Sept 2024 ~ Aug 2027** 

		S	Sept 2024- Aug 2025				Sept 20	25 - Aug 2	2026	Sept 2026 - Aug 2027				
No.	Item	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Fund USD
	Engagement/ hiring of consultant for In-depth assessment													
	(HR & Regulatory law) to assess existing practices vis-à-vis													
1	int. best practices.											-		
	Develop concept note for consultations/ policy													
2						-								-
3	9													500,000.00
	Arrange consultative workshops with stakeholders on													
4	policy dialogue.													1,000,000.00
	Formation of committee to review existing or													
	develop new regulatory framework / laws /													
5	regulations / policies / guidelines for improvement.													-
6	Draft law referred to relevant forum for its approval.													-
	Notification of law, subsequent to approval of the													
7	relevant forum.													-
	Hiring of consultant to develop training strategy													
8	for PE & Suppliers.													
9														500,000.00
10														5,000,000.00
	Develop tutorials, educational videos, LMS for PEs &													3,000,000.00
11	· · · · · · · · · · · · · · · · · · ·													8,000,000.00
	Develop follow-up mechanism to refine and													0,000,000.00
12	improve training program.													
12	Hiring of experts, building the capacity of existing													
4.2	human resources.													1 000 000 00
13	Collaboration & experience sharing with foreign													1,000,000.00
14	procurement entities													
	Collaboration & experience sharing with foreign													
15	·													1,000,000.00
	Frequent communication through digital													
16														500,000.00
	Knowledge/ experience sharing through													
17	·													1,000,000.00
18	· · ·													1,000,000.00
19	Technology transfer.													1,000,000.00
20	Eprocurement System (under development)													
	Interface Audit and New Design Development													1,000,000.00
	API Development and Testing for Integration					-			_			-		1,000,000.00
	Implementation of Online Payment Functionality									-	+	+		1,000,000.00
24	Integration with Private Online Stores										+	+		1,000,000.00
3-	Development and Launch of Module for Private Organizations —													1,000,000.00
25 26											+	+		25,500,000.00

# 6. Expected Results – Outputs/Outcomes

#### Economic Effects

- ✓ savings through e Procurement System.
- ✓ Cost of paper reduction.
- ✓ Reduction in administrative / operational / logistical cost.
- ✓ saving due to competitive bidding.

#### Technical Effects

- √ Transparent procurement system.
- ✓ Enhanced competition.
- ✓ Procurement of Quality products

#### Social and Environmental Effects

- ✓ SMEs, women-led enterprises to participate in public procurement.
- ✓Introducing sustainable / green public procurement.

# 6. Expected Results – Challenges/Solutions

#### Challenges and Risks

- √ Financial assistance / sustainability
- ✓ procurement professionals frequent turnover.
- ✓ Risk related to data security.

#### Solutions

- ✓ introduce financially self-sustaining models.
- ✓ Incentivize procurement professionals through market competitive salaries & continuous investment to build capacities.
- ✓ customized contract document to maintain data sanctity/ security.

# **Action Plan**